



A MONTHLY ELECTRONIC NEWSLETTER TO THE 41ST ASSEMBLY DISTRICT
(Including Agoura Hills, Calabasas, Encino, Malibu, Hidden Hills, Lake Sherwood, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills.)

APRIL 2003 ISSUE

Budget Talks Continue as Legislature's #1 Priority

With the daunting requirement of potentially having to reduce state General Fund spending by 40%, all five Assembly Budget Subcommittees, plus related policy committees, have been working hard and holding multiple hearings over the past few months. Contrary to what some editorial writers are suggesting about lack of action by the Legislature, the Democratic leadership has been working very long hours, including over what was supposed to be a spring break, to come up with a package of proposals to present to our Republican colleagues that would get a balanced budget in on time. The Assembly Budget Committee is scheduled to hold a hearing on this April Budget Reduction Package on Monday, April 28. If approved by a 2/3 vote of the Assembly and the Senate, we will have solved \$19 billion of the estimated \$30+ billion deficit.

We are continuing to look for ways to cut expenditures by eliminating duplications, prioritizing programs, and reviewing the budgets of all state agencies for possible efficiencies. Many of us have different perspectives on how to close the gap, understanding that only California plus two other states must pass their budgets by a 2/3 vote of the legislature. I believe that a balanced approach, with both cuts and revenue increases, will allow us to meet the June 15 constitutional deadline. Many of my Republican colleagues join me in not wanting to make devastating cuts to education, transportation, and local governments.

In addition, significant cuts to Medi-Cal reimbursement rates will likely close or reduce the availability of many health clinics or reduce the number of patients served, pushing additional uninsured Californians into more costly emergency rooms. Many programs, such as the Healthy Family Program for uninsured children, and Family PACT receive matching funds or large amounts of Federal funding.

I would welcome your suggestions on what you think makes sense, given the magnitude of the deficit. We are waiting for the Governor's "May Budget Revise" on May 16, which will take into account the April tax returns. Remember, close to half of our General Fund relies on personal income taxes. The stock market, while showing some improvement, is still impacted by uncertainties, including the Iraqi conflict.

The legislature has already taken action by cutting or deferring \$8 billion of the deficit from the current and 2003-04 budget year. Here's an outline of just one way to close the cap:

- \$ 4 billion by suspending the Vehicle License Fee rebates to motorists
- \$ 4.2-4.6 billion generated by a one cent sales tax increase ending in 4-5 years
- \$ 10 billion in additional program cuts
- \$ 4 billion by rolling over some of the debt as proposed by a bipartisan committee
- \$ 2.2 billion of loans from STRS and PERS (Pension Obligation Bond)

Additional taxes on alcohol and cigarettes

Fees for mitigating services such as pesticide regulation, dam safety inspections, regulatory enforcement personnel that are required to monitor air and water pollution, Wildland Fire Protection, etc.

(Continued on next page)

All options to balance the state's budget are on the table. These include a discussion of a "spending cap" during the years when revenues dramatically increase, plus some kind of reform of the Workers' Compensation program.

As one example of long-term structural reform, school districts favor allowing them additional flexibility by placing approximately 50-60 statewide programs into "categorical block grants." This gives a large sum of money to each school district, and lets them decide which programs deserve the highest priority to meet the needs of their specific student populations. There are several proposals being considered, including one from the Governor, Assemblymember Simitian's bill (AB 1650), and Senator Karnette's bill (SB 525), plus a proposal from the Legislative Analyst's Office. Several interest groups advocating for the continuation of specific programs prefer not to be included in the block grant, concerned that their local school district may choose not to continue to fund their line item. All of the school districts in the 41st Assembly District have told me that they support, at least in concept, this increase in local control, with the flexibility for budgeting and prioritizing expenditures.

The Budget Restructuring Committee, as well as the "Big Five" (Governor, Speaker of the Assembly, Senate President Pro Tem, and Minority Leaders in both houses) continue to meet to try and solve the biggest fiscal crisis ever faced by our great state. By May 16th, we will also have a clearer picture of our state's actual revenue picture.

Ormond Beach Wetlands

On April 8, the Metropolitan Water Board met and took a critical vote that will move the restoration of the Ormond Beach Wetlands another step forward.

This project has long been a dream of the South Oxnard community. Although Ormond Beach was zoned long ago for industrial uses, the City of Oxnard and area residents came to realize the resource potential of this beautiful stretch of coastline. It is habitat to at least six endangered or threatened species, and plays a key role in controlling floods, storing and filtering stormwater runoff, and sustaining plant and animal life. Both the State of California and the Southern California Wetlands Recovery Project Science Advisory Panel have identified Ormond Beach as a very high priority for acquisition as a wetland.

An estimated 750 acres are needed to restore a fully-functioning tidal wetlands complex. In addition, the Oxnard GREAT (Groundwater Recovery Enhancement And Treatment) Program is working proactively on the issue of water supply, and could benefit directly from the restoration of the salt marshes as a place for beneficial reuse of the concentrates generated by their desalter. Review of the environmental impacts would be a part of plan.



The City of Oxnard and the MWD jointly own 309 acres at Ormond. The City has already agreed to sell this parcel to the State Coastal Conservancy, and at their April 8 meeting, the MWD Board directed their staff to begin the negotiations. These 309 acres, added to the 265 acres that the Coastal Conservancy bought from Southern California Edison last summer, would equal roughly 75% of the land needed to start the restoration. Funding for this acquisition would be available through Propositions 40 and 50, the resource bonds passed by California's voters last year.

“Do Not Call” List Kickoff

With privacy a growing issue in recent years, Attorney General Bill Lockyer has just announced that, effective immediately, Californians may use the Internet to pre-register up to four of their home and cellular phone numbers on a list that will, at no cost, block most telemarketing calls. Calls should stop effective in October. If you are interested in getting off telemarketing lists, you can go to the Attorney General's website at <http://nocall.doj.state.ca.us>. Click on the “pre-register” link and follow the directions. You will not be able to pre-register by phone or mail.

Workers Compensation Reform

LEGISLATION

As a part of the state's overall budget situation, the Legislature will be looking at a variety of bills intended to help reform the seriously broken Workers Compensation system. Employers' costs are skyrocketing.

California is still in the bottom third of the nation relative to providing adequate compensation to workers. Fraud in the system must be identified and stopped. And Workers Comp rates have soared not just for businesses, but also for nonprofits, school districts, and local government as well.

There are approximately 75 bills pending in this session which relate to Workers Comp.

SB 228 by Senator Alarcon is the only bill that I know of which is supported by business, labor, the insurance industry, and the California Chamber of Commerce. Among other things, SB 228 would make the following changes.

- Procedures would be developed to receive and review reports of medical billing fraud.
- Insurers, self-insured employers, third-party administrators, workers' comp administrative law judges, attorneys, and any other persons who believes that a fraudulent claim has been made would be mandated to report an apparent fraudulent claim.
- Charges under the medical fee schedule could not exceed 125% of the fee prescribed for the same item in the Medicare system, or the Medi-Cal system if there is not an applicable system in Medicare.

To read the full text of this, or any other Assembly bill, visit the Assembly website at www.assembly.ca.gov, and click on the Legislation link.

HELP FOR SMALL EMPLOYERS

I was also extremely pleased to learn from Insurance Commissioner John Garamendi yesterday of two actions that he has taken to ease access requirements to the State Compensation Insurance Fund (State Fund) for small employers who have few options for coverage in the private insurance market.

- Small employers who pay \$25,000 or less in estimated annual premium for workers' comp coverage will no longer have to provide proof that they were declined by three other carriers before submitting an application for the State Fund.
- Larger employers will also no longer have to file written and signed declinations, but can just document their diligent and unsuccessful search for private coverage.

The State Fund has always been California's “insurer of last resort.” This change should be of great help to California's small businesses who are already challenged by the national recession, and who have been seriously impacted by spiraling Worker's Compensation costs.



Liz Morosco, and "Hilly," a Guide Dog whose owner works in the State Capitol, with Speaker Herb Wesson and Assemblymember Fran Pavley

2003 "Woman of the Year"

Every year, each of the 80 members of the State Assembly selects one woman who has distinguished herself in service to the community for recognition at a special ceremony at the State Capitol. This year it was my great pleasure to name Elizabeth Morosco as my "2003 Woman of the Year" based on her work at Guide Dogs for the Blind at their Topanga Canyon facility.

Since my family has raised four Guide Dog puppies, with one having returned to us after being retired from his life as a Guide Dog, I have a special place in my heart for the work that Liz is doing. Among her many activities at the facility, Liz initiated a program that not only enables blind children to become involved in their community, but also teaches them the care and dog-handling skills that they might need in their future with a Guide Dog. This year marks her 20th year assisting Guide Dog graduated, encouraging puppy raisers, and doing fund raising for the organization. Although she lives in Ventura County, Liz calls the Topanga Guide Dog facility her "second home."

I was also thrilled to be the guest speaker on April 10 on the steps of the Capitol building for "Guide Dog Day," accompanied by nearly 100 Guide Dogs and their owners. I still harbor a secret longing to take on a fifth Guide Dog puppy as unofficial receptionist at my Capitol Office, but have yet to convince my staff.

Proposition 40 Workshop

On June 6, I will be hosting a workshop in Agoura Hills on "Local Assistance Programs" that are available to any city, county, nonprofit or other organization that provides park and recreational services. Details will follow in my May newsletter, but please hold the date open if you are interested.

Board of Equalization Workshop

On June 27, I will be hosting a free tax seminar with the Board of Equalization in Santa Monica to assist nonprofits with changes in legislation and law related to fundraising, employment and other taxes, and other questions that come up. Details will follow in my May newsletter.

Pacific Palisades "Citizens of the Year"

I also look forward every year to learning who the *Palisadian-Post* will name and honor as their "Citizen of the Year." This award recognizes a person or persons who "through unselfish efforts have made a lasting contribution to Pacific Palisades in the previous year that ideally promotes the town's environment and character and inspires and encourages a greater interest in the civic affairs of the community."

Mindy Marin and **John Neidlinger**, were named by the *Palisadian-Post* as the "2002 Citizens of the Year." Last October, 4,000 cubic yards of beach sand contaminated with construction rubble and debris was used by a contractor for beach replenishment at Will Rogers State Beach. When Mindy and John saw what had happened, they immediately took action, and, working with Councilmember Cindy Miscikowski and Supervisor Zev Yaroslavsky, the cleanup quickly followed.

It was this situation that led me to introduce AB 1212 earlier this year. AB 1212 provides that no coastal development permit for sand replenishment could be issued unless and until the project applicant provides

on-site monitoring and supervision. On April 21, both Mindy and John traveled to Sacramento to testify in support of the bill in the Natural Resources Committee. I am pleased to report that the bill passed out of committee.

At the April 24 award banquet, four other community members will also be honored.

Longtime Palisades resident, **Bob Locker**, will receive a special "Community Defender" award for the many years that he has spent protecting the Palisades' quality of life, including as President of the Pacific Palisades Residents Association.

The Palisades Community Council will present their "Golden Sparkplug" award, which recognizes local grassroots activism and leadership that benefits Palisades resident. This year's Sparkplugs are **Carole Kenney**, who planted 72 trees last year along the town's parkways; **Larry Jacobs**, who researched mismanagement by the Entertainment Industry Development Corporation; and **Nelson Willis**, who successfully redirected a park project that the community had felt was going in the wrong direction.

I want to extend my thanks and congratulations to these six people, who have made, and are continuing to make, a real difference in their community.

Rotarians Sponsor Medical Trip to Honduras

This past February, the Rotary Club of Agoura Hills-Oak Park and Westlake Village Sunrise obtained a Discovery grant to send seven people to Honduras. They identified several projects available in perhaps the poorest country in the Western Hemisphere. One of the projects that came out of this trip was "Operation Footprint. Two local Rotarians, podiatrists Michael Zapf of Oak Park and Stan Weinstein of the Agoura Club, joined a brigade of surgeons for "Operation Footprint." During a six-day surgery session in March, they corrected 29 club feet on 22 children. Each surgery can take as long as five hours.

I want to extend my appreciation to Dr. Zapf and Dr. Weinstein for this generous humanitarian trip that clearly made a huge difference in the lives of 22 children.

Free Cinco de Mayo Concert

There are wonderful free cultural experiences available through The Madison Performance Series at Santa Monica College. Celebrating Cinco de Mayo on Saturday, May 3 at 2:00 p.m., David Haro, a Mexican troubador, will be performing original compositions at the Santa Monica Pier. His music has been brought to life by such artists as Willie Colon, Marco Antonio Munez, and Lila Downs. For more information on the Madison Performance Series, visit their website at <http://www.smc.edu/madison>.

California Wildlife Center

Tucked away in a quiet spot in Topanga Canyon, sick, injured and orphaned wildlife are finding first-class medical care and rehabilitation, with the intent of releasing them back into the wild. That place is the California Wildlife Center. It operates under permit from the California Department of Fish and Game, and cares for a wide-range of species, from raptors and songbirds to coyote and deer. Many of the injuries are caused by cars and other impacts of their urbanized environment.



Photo courtesy of Victoria Harris

At a recent visit of the CWC facility by my District Director, orphaned baby squirrels were being hand-fed and an injured red-tailed hawk was recovering in a large flight cage. Several fawns had just been released. Operating with only two paid staff, and a crew of 40 trained volunteers, this is a remarkable place. CWC is always looking for volunteers. For more information about CWC, including their Open House on April 26, visit their website at www.californiawildlifecenter.org.

California Holocaust Memorial Week

More than 60 years have passed since the tragic events that we now refer to as the Holocaust. Six million Jews and five million others were executed in Nazi concentration camps and in other ways that cannot be forgotten or ever again allowed to happen.

I was proud to co-author ACR 1 earlier this year, which proclaims the week of April 27 through May 4, 2003 as **California Holocaust Memorial Week**. It urges all Californians to keep in their thoughts all of those who perished in that terrible episode of history.

Triunfo YMCA Pancake Breakfast

The Sixth Annual Triunfo Canyon YMCA Pancake Breakfast Carnival will be held in Oak Park on Saturday, May 3 at 10:00 a.m. This event traditionally brings together over 2,500 hungry participants in fellowship and fun, while at the same time raising money for needy children in the community.

I will be there to join the festivities, flip some pancakes, and to make myself available to talk with residents about any legislative or other issues of interest to them. Come if you can. It's just a wonderful event.



Time: 10:00 a.m.
Date: Saturday, May 3
Place: Oak Canyon Park
5600 Hollytree Drive
Oak Park
(off Kanan Road)

Assemblymember Pavley's Committee Assignments

Appropriations Committee
Arts, Entertainment, Sports, Tourism, and Internet Media Committee
Budget Committee
Education Committee
Transportation Committee
Water, Parks and Wildlife Committee
Select Committee on Title IX
Select Committee on California Ports

Chair, Select Committee on Air and Water Quality
Chair, Budget Subcommittee #3 on Resources

Legislative Advisory Committee – Wildlife Conservation Board
Legislative Advisory Committee – California Coastal Conservancy
Santa Monica Mountains Conservancy Advisory Board

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If you know of anyone who you think would like to receive these newsletters, please e-mail their name, mailing address and e-mail address, and I'll be happy to add them to my list.

